

Chief, Pay Roll Section

16 September 1947

Chief, Fiscal Division

Collection of Income Tax on Wages

1. Pursuant to Section 10, Public Law 384-80th Congress, it is mandatory that, effective 1 January 1948, taxes be withheld from wages paid employees of the U.S. Government, who are citizens of the United States, whether stationed in the U.S. or abroad.

2. Accordingly, beginning with the 28 December 1947 - 10 January 1948 pay period, employees subject to the above and stationed overseas will be paid amounts from which tax has been deducted in the same manner as employees stationed in this country.

3. This office will process necessary tax payments to the Collector of Internal Revenue and the [] offices have been contacted to submit Form W-4 in ample time to establish necessary records. The [] offices have been instructed to cover changes in tax classifications by submitting amended Forms W-4.

4. Forms W-2, outlining tax payments made on behalf of each employee stationed abroad, will be forwarded to the applicable overseas post for appropriate distribution shortly after the close of the calendar year.

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Chief, Fiscal Division

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VLB:sk

cc: Saunders via []

File

General Counsel's Off. ✓

Mr. []

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